

GEORGE R. ARIYOSHI
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF HEALTH

P.O. Box 3378
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AUG 24 1976

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Henry N. Thompson, M.A.
Deputy Director of Health

James S. Kumagai, Ph.D., P.E.
Deputy Director of Health

In reply, please refer to:

File: EPHS

Mr. Paul DeFalco, Jr, Administrator
U.S. Environmental Protection Agency
Region IX,
100 California Street
San Francisco, CA 94111

Dear Mr. DeFalco:

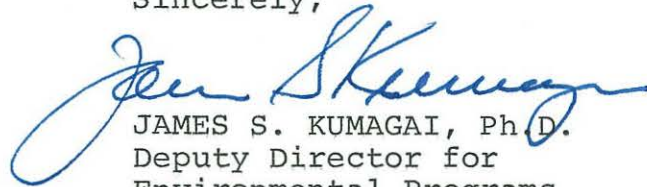
Section 8 of the Federal Water Pollution Control Act Amendments (Act) of 1972 authorizes loans to assist small businesses in making additions or alternations to their equipment, facilities, or methods of operation in order to ensure their compliance with the water pollution control requirements established in the Act. The purpose of the loans is to provide financial assistance to those small businesses who are likely to suffer substantial economic hardships if financial aid is not available.

Regulations published by EPA in the Federal Register, Volume 39, Number 160 on August 16, 1974 outline the procedures involved in issuing statements of necessity and adequacy pursuant to the Act. In addition, the regulations provide for State issuance of these statements and specifically Part 21.12 details the procedure for a State to obtain approval to conduct the program.

The State of Hawaii hereby requests approval for the Hawaii State Department of Health to issue the statements pursuant to the requirements of the regulations. A formal application for the Department to administer this program is enclosed for your review.

We will appreciate all efforts to expedite the review of this application and your approval to conduct the program.

Sincerely,


JAMES S. KUMAGAI, Ph.D.
Deputy Director for
Environmental Programs

Enclosure

STATE OF HAWAII
APPLICATION

SMALL BUSINESS LOAN PROGRAM

Section 8, Federal Water Pollution Control Act
as Amended (1972)

A. Introduction

Section 8 of the Federal Water Pollution Control Act (1972) authorizes Small Business Act loans to assist small businesses in making additions or alterations to their equipment, facilities, or methods of operation in order to ensure their compliance with the water pollution control requirements established under the FWPCA. To receive a loan through the Small Business Administration (SBA) a written statement, certifying the necessity and adequacy of the pollution control, must be issued by the State agency responsible for water pollution control. Such certification involves technical review and approval of all proposed processes and activities to be supported financially by an SBA loan.

Under the regulations established in the Federal Register, Volume 39, Number 160, Section 21.12, States may conduct a program for issuing "need and adequacy" statements upon application and approval by the appropriate Regional Administrator, U.S. Environmental Protection Agency.

B. Designated Water Pollution Control Agency

21.12a(3) The Hawaii State Department of Health, Environmental Protection and Health Services Division is the State water pollution control agency responsible for enforcing federal and local laws relating to the abatement of pollution of Hawaii's surface and marine waters, as defined in Section 402 of the FWPCA (1972). In accordance with the provisions of this section, on November, 1974 the Department was delegated authority to administer the NPDES program. One function of the Department in this program is to insure that a complete technical review is made for each application for a NPDES permit. The same resources utilized by the Department to review NPDES permits will also be used to issue "need and adequacy" statements for the Small Business Loan Program.

C. Compliance with Federal Register

The Hawaii State Department of Health shall issue "need and adequacy" statements to satisfy the intent of the SBA water pollution control regulatory provisions established pursuant to Section 8 of the FWPCA (1972), Title 33, U.S.C.

D. Section 106 Grant Requirement

21.122(1) The Hawaii State Department of Health is the recipient of a Section 106 grant for pollution control and planning. In making application for this grant, the State had submitted supporting documents detailing organizational, legal, financial and administrative resources needed by the Department of Health to conduct this program. These same resources will be used to issue "need and adequacy" statements for the Small Business Loan Program. The technical staff of the Environmental Protection and Health Services Division will evaluate each application for a SBA loan to determine whether a statement is appropriate.

E. Conflict of Interest

21.122(5) Determination of any possible conflict of interest shall be made with respect to all reviewing officials in accordance with Section 21.12(a)(5) and (d) of the Regulation (Small Business-Water Pollution Control Plans, Federal Register, Volume 39, Number 160).

F. Equivalent Effort of the State's Program to That Required of EPA

21.122(2) The Hawaii State Department of Health will conduct a review of all submitted applications equivalent to that required of the U.S. Environmental Protection Agency under Section 21.4 of the Regulation.

G. Compliance with Corps of Engineers Permits

The Hawaii State Department of Health provides major review of all proposed Corps of Engineer projects which may affect the State's water quality. Any evaluation regarding the "need and adequacy" in conjunction with a Corps of Engineers permit will be made by the Department.


JAMES S. KUMAGAI